Bird Construction Inc.

Management's Discussion and Analysis

For the three and six month periods ended June 30, 2021 and 2020

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The following Management's Discussion and Analysis ("MD&A") of Bird Construction Inc.'s ("the Company" or "Bird") financial condition and results of operations for the three and six month periods ended June 30, 2021, should be read in conjunction with the June 30, 2021 unaudited interim condensed consolidated financial statements. This MD&A has been prepared as of August 10, 2021. Unless otherwise specified, all amounts are expressed in Canadian dollars. The information presented in this MD&A is presented in accordance with International Financial Reporting Standards ("IFRS"), unless otherwise noted.

This discussion contains forward-looking information, which are subject to a variety of factors that could cause actual results to differ materially from those contemplated by this information. See "Forward-Looking Information". Some of the factors that could cause results or events to differ from current expectations include, but are not limited to, the factors described under "Risks Relating to the Business" included in the Company's most current Annual Information Form dated March 9, 2021. Additional information about the Company is available through the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and on the Company's website at www.bird.ca.

Certain measures in this MD&A do not have any standardized meaning as prescribed by IFRS and, therefore, are considered non-GAAP measures. These non-GAAP measures are commonly used in the construction industry, and by management of Bird, as alternative methods for assessing operating results and to provide a consistent basis of comparison between periods. Therefore, the non-GAAP measures in this MD&A are unlikely to be comparable to similar measures used by other entities. Non-GAAP measures include: Adjusted Earnings; Adjusted Earnings Per Share; Adjusted EBITDA; and Adjusted EBITDA Margin. Further information regarding these measures can be found in the "Terminology & Non-GAAP Measures" section of this MD&A.

EXECUTIVE SUMMARY

Income Statement Data		Six months ended June 30, 2021		2020
(in thousands of Canadian dollars, except per share amounts)				
Revenue	$	**1,000,999**	$	604,412
Net income		**20,749**		6,747
Basic and diluted earnings per share ("EPS")		**0.39**		0.16
Adjusted Earnings [(1)]		**24,087**		7,689
Adjusted Earnings Per Share [(1)]		**0.45**		0.18
Adjusted EBITDA [(1)]		**51,152**		19,890
Adjusted EBITDA Margin [(1)]		**5.1%**		3.3%
Cash Flow Data				
Net decrease in cash and cash equivalents		**(114,797)**		(8,944)
Cash flows from operations before changes in non-cash working capital [(2)]		**49,223**		16,049
Additions to property and equipment [(3)]		**3,208**		5,643
Cash dividends paid		**10,343**		8,291
Cash dividends declared per share		**0.20**		0.20

Balance Sheet Data		June 30, 2021		December 31, 2020
Total assets	$	**985,255**	$	1,061,796
Working capital		**142,728**		135,514
Loans and borrowings (current and non-current)		**63,480**		72,913
ROU Liabilities (current and non-current)		**75,742**		78,075
Shareholders' equity		**225,607**		212,610

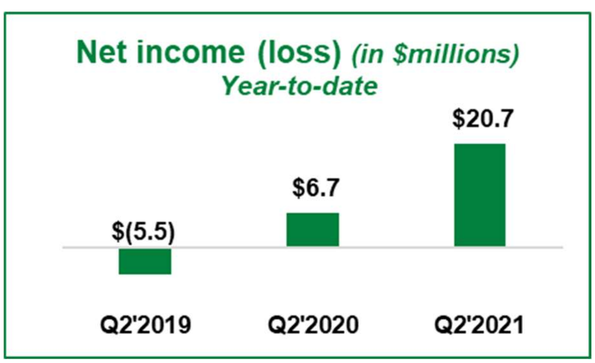
Key Performance Indicators		June 30, 2021		December 31, 2020
Pending Backlog [(4)]	$	**1,647,600**	$	1,635,900
Backlog [(4)]		**2,709,348**		2,682,498

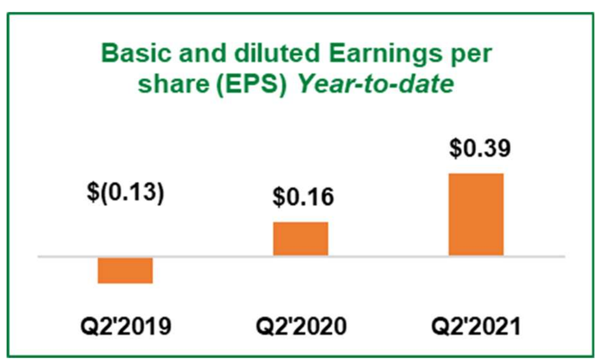
[(1)] Adjusted Earnings, Adjusted Earnings Per Share, Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures and do not have standardized meanings under IFRS. See "Terminology and Non-GAAP Measures."

[(2)] Refer to the consolidated statement of cash flows.

[(3)] Includes computer software purchases classified as intangible assets.

[(4)] Pending Backlog and Backlog do not have standardized meanings under IFRS. See "Terminology and Non-GAAP Measures."





NATURE OF THE BUSINESS

Bird provides a comprehensive range of construction services from new construction for industrial, commercial, and institutional markets; to industrial maintenance, repair and operations ("MRO") services, heavy civil construction and mine support services; as well as vertical infrastructure including, electrical, mechanical, and specialty trades.

> **For over 100 years, Bird has been a people focused company with an unwavering commitment to safety and a high level of service that provides long-term value for all stakeholders.**
>
> **Teri McKibbon, President & CEO**

PROJECT DELIVERY METHODS

In all sectors, Bird contracts with its clients using a combination of fixed price, unit price, design-build, alternative finance projects, public private partnerships ("PPP"), cost reimbursable (such as cost plus), construction management, and integrated project delivery methods.

OUR LOCATIONS

The Company operates from coast-to-coast and services all of Canada's major geographic markets.

MANAGING RISK

While Bird is capable of self-performing larger projects, particularly in the industrial market and MRO space, for many projects, the overall construction risk rests with Bird's subcontractors. The scope of work of each subcontractor is generally defined by the same contract documents that form the basis of the Company's agreements with its clients. The terms of the agreements between the Company and its clients are generally replicated in the agreements between the Company and its subcontractors. These "flow-down" provisions substantially mitigate the risk borne by the Company. Depending on the value of the work, the Company may require bonds or other forms of contract security, including enrolling our subcontractors in Bird's subcontractor default insurance program, which should mitigate exposure to possible additional costs should a subcontractor not be able to meet its contractual obligations. Bird's primary constraints on growth are the ability to secure new work at reasonable margins and the availability of qualified professional staff who can be assigned to manage the projects.

INDUSTRIAL SECTOR

Within the industrial sector, Bird has significant experience executing large and complex projects for clients primarily operating in the oil and gas, liquefied natural gas ("LNG"), mining, renewables, water and wastewater, and nuclear sectors. Bird constructs industrial buildings including manufacturing, processing, distribution, and warehouse facilities, and performs civil construction operations including site preparation, concrete foundations, metal and modular fabrication, mechanical process work, underground piping and earthwork.

These industrial service capabilities have been further enhanced through the joining of forces with Stuart Olson Inc. ("Stuart Olson"), which was acquired on September 25, 2020. The Company's industrial self-perform capabilities now include insulation, metal siding and cladding, ductwork, asbestos abatement, mechanical, and electrical and instrumentation abilities, including high voltage testing and commissioning, as well as power line construction. These maintenance service abilities are augmented with civil services as well as facilities maintenance services, and the combined service offering opens the door to a wider range of clients including those in the LNG, mining, and nuclear sectors. In general, Bird has gained an expanded industrial general contracting business and more notably is now an industrial maintenance contractor with opportunities for additional maintenance clients in a broader geographical footprint.

INSTITUTIONAL & COMMERCIAL SECTOR

Within the institutional sector, Bird constructs and renovates hospitals, post-secondary education facilities, K-12 schools, recreation facilities, prisons, courthouses, government buildings, long term care and senior housing, as well as environmental facilities that include water and wastewater treatment centres, composting facilities, and biosolids treatment and management facilities. Within the commercial sector, Bird's operations include the construction and renovation of office buildings, shopping malls, big box stores, hotels, and selected mixed-use high-rise residential.

The Company has also developed expertise in the construction of vertical elements and overall management of transportation-related projects and will continue to enhance its abilities in this market. Bird also selectively invests equity in PPP projects to support construction operations.

INNOVATIVE SOLUTIONS

Bird also provides innovative solutions within the Institutional and Commercial sectors.

MASS TIMBER

With an extensive resume of mass timber construction, including post-secondary education, recreation and seniors living facilities, Bird is a North American leader with the expertise, experience and supply chain knowledge to present an opportunity for greener buildings by using a renewable resource as a primary construction material.

CENTRE FOR BUILDING PERFORMANCE

Paving the way for the future of smart building technology and seamless construction delivery, the Centre for Building Performance provides smart building technologies and life cycle services, which enables the delivery of innovation, efficiency and exceptional value by design.

STACK MODULAR

The Company's partnership with Stack Modular, a design-build structural steel modular manufacturer that builds across Canada, the USA and select international markets, is an innovative solution in the multi-family, hospitality, resource, and student and senior housing sectors for buildings up to 40-storeys. The partnership is focused on helping clients leverage the advantages of combining conventional and modular methods of construction, enabling time and cost savings, and ensuring delivery of high-quality, local code compliant modules with stakeholder assurance that projects will be executed successfully and safely.

COMMERCIAL SYSTEMS

The newly acquired commercial systems business is one of Canada's largest electrical and data system contractors. Services include design, build and installation of core electrical infrastructure, resulting in high-tech, high-performance buildings. It also provides the services and systems that support information management, building systems integration, green data centres, security, risk management and lifecycle services, as well as ongoing maintenance and on-call service to customers.

Q2 2021 HIGHLIGHTS

- During the second quarter of 2021, the Company recorded net income of $13.6 million on construction revenue of $556.4 million compared with net income of $5.6 million on $282.8 million of construction revenue in the second quarter of 2020. Basic and diluted earnings per share in the second quarter of 2021 and 2020 was $0.26 and $0.13, respectively. The year-over-year increase in second quarter revenue is primarily attributable to the inclusion of Stuart Olson. The Company's work programs also experienced a moderate increase in activity and revenue for projects that were previously temporarily delayed by clients as a result of the COVID-19 pandemic. The year-over-year increase in net income reflects a combination of additional margin from the acquisition of Stuart Olson, inclusive of synergies, as well as progress with diversifying the work program and improving year-over-year margins in operations. Additionally, the Company recognized a pre-tax compensation expense recovery of $8.9 million for the Canada Emergency Wage Subsidy ("CEWS") program in the second quarter of 2021, which helped to offset additional costs incurred by the Company related to the pandemic.

- Adjusted Earnings and Adjusted Earnings Per Share in the second quarter of 2021 were $15.0 million and $0.28, respectively, compared with Adjusted Earnings and Adjusted Earnings Per Share in the second quarter of 2020 of $6.6 million and $0.15, respectively. The year-over-year increase in second quarter Adjusted Earnings is reflective of the improvement in net income described above and the year-over-year increase for $0.4 million of tax effected integration and restructuring expenses incurred in the second quarter of 2021.

- Adjusted EBITDA and Adjusted EBITDA Margin in the second quarter of 2021 were $30.1 million and 5.4%, respectively. Adjusted EBITDA increased $17.8 million from the Adjusted EBITDA of $12.3 million in the second quarter of 2020. Adjusted EBITDA Margin increased 105 basis points from the Adjusted EBITDA margin of 4.4% recorded in the second quarter of 2020.

- During the first half of 2021, the Company recorded net income of $20.7 million on construction revenue of $1,001.0 million compared with net income of $6.7 million on $604.4 million of construction revenue in 2020. Basic and diluted earnings per share in the first half of 2021 and 2020 was $0.39 and $0.16, respectively. The year-over-year increase in revenue is primarily attributable to the inclusion of Stuart Olson. Revenues were negatively impacted in the first half of 2021 by approximately $116.0 million due to both public health restrictions and delays in permitting associated with the COVID-19 pandemic. The year-over-year increase in net income reflects a combination of additional margin from the acquisition of Stuart Olson, inclusive of synergies, as well as progress in diversifying the work program and improving year-over-year margins in operations. Net income in the first half of 2021 was impacted negatively by reduced productivity and project delays resulting from the pandemic, which had a significant unfavourable impact on earnings and were mitigated by a pre-tax compensation expense recovery of $20.1 million recognized in the first half of 2021 for CEWS.

- Adjusted Earnings and Adjusted Earnings Per Share in the first half of 2021 were $24.1 million and $0.45, respectively, compared with Adjusted Earnings and Adjusted Earnings Per Share in the first half of 2020 of $7.7 million and $0.18, respectively. The year-over-year increase in Adjusted Earnings is reflective of the improvement in net income described above and the year-over-year increase of $2.4 million of tax effected integration and restructuring expenses incurred in the first half of 2021.

- Adjusted EBITDA and Adjusted EBITDA Margin in the first half of 2021 were $51.2 million and 5.1%, respectively. Adjusted EBITDA increased $31.3 million from the Adjusted EBITDA of $19.9 million in the first half of 2020. Adjusted EBITDA Margin increased 180 basis points from the Adjusted EBITDA margin of 3.3% recorded in the first half of 2020.

- During 2021, the Company secured $1,027.8 million of new contract awards and change orders and executed $1,001.0 million of construction revenues. The Company's record Backlog of $2,709.3 million at June 30, 2021 increased slightly from Backlog of $2,682.5 million at December 31, 2020, however Backlog remains relatively flat due to COVID-19 timing delays in project tenders and awards from clients.

- During the second quarter of 2021, the Company announced that it was awarded the following projects and contracts:
  - The Company was awarded a $172.0 million fixed price construction services contract with Concert Properties for the Sherbourne Project ("The Burke") in Toronto, Ontario. The Burke is a residential tower consisting of 53 floors and a gross floor area of 43,300 m², combining a healthy blend of residential and retail space. The Burke will be constructed to a LEED® gold standard, leveraging green building practices and environmentally sound solutions.
  - The Company was awarded two contracts for civil works on two separate sites: construction of two storm and effluent ponds at an existing project site in northwestern British Columbia, and construction of an overpass in northern Alberta. The combined value of the contracts awarded is approximately $135.0 million.
  - The Company was awarded a three-year contract with a two-year extension option for mechanical and electrical maintenance services for the North West Redwater Partnership. The total value of the multi-year contract awarded is potentially up to $75 million.
- The Board has declared an eligible dividend of $0.0325 per common share for each of July 2021, August 2021, September 2021 and October 2021.
- Subsequent to quarter end, the Company announced that it was awarded the following project:
  - The Company has negotiated a construction services contract with the international real estate firm Hines for a mixed-use project in the heart of Toronto, Ontario. The project is a 17-storey mixed-use building located near the corner of King street and Bathurst street. The new building will be constructed by leveraging green building practices with sustainable solutions.

COVID-19 AND COMPANY RESPONSE

The COVID-19 pandemic has continued to disrupt global health and the economy in 2021. Notwithstanding the vaccination programs that are underway, the Canadian construction industry continues to face volatility as each provincial government has responded by implementing measures to address the public health threat. As this report is released, vaccination rates in Canada continue to increase and the number of active cases has declined considerably from the peak of the third wave. Nevertheless, the variants of the virus that have emerged continue to be an important consideration; preventative safety measures remain in place and continue to vary from province to province as governments respond to fluctuations in case numbers. The duration of the pandemic and the associated impact to future financial and operational measures are unknown. As a result, the corresponding impacts to key variables including, our workforce, supply chain, project pursuit and awards cycle, and project site measures remain uncertain. The situation remains extremely fluid; however, the Company has responded well to the challenges presented to date and is well positioned to continue responding to fluctuating scenarios for the remainder of 2021.

The health and safety of employees is paramount and, as a result of the pandemic, the Company increased health and safety initiatives to meet or exceed guidance from applicable public health authorities. The Company's COVID-19 response plan includes:

- Best practices for both office and field employees and managers.
- Self-assessment tools and new COVID-19 measure audits.
- Enhanced cleaning protocols and hygiene measures and physical distancing practices.
- Proximity activity hazard management process, including additional personal protective equipment requirements, such as face coverings, mandated for specific circumstances both in offices and in the field.
- Strategies to reduce concentrations of site workers such as staggered start times, breaks, and lunch times have been implemented on construction sites. Online COVID-19 information centres have also been created for employees and managers to ensure all team members are kept informed as the situation continues to evolve.
- Remote work practices facilitated by information technology have been implemented and offices have also been adapted to ensure employee safety for those not working remotely.
- The Company continues to communicate on a regular basis with all employees and has highlighted the additional support offered by the provider of the Employee and Family Assistance Program ("EFAP") to support employees and their families during this time.

The Company, its executives and Directors want to acknowledge the continued efforts and sacrifices that our employees have made to ensure that the Company continues operating safely and effectively, while delivering upon its project commitments through these unprecedented times.

QUARTERLY RESULTS OF OPERATIONS

Consolidated Statement of Income and Additional Financial Indicators (in thousands of Canadian dollars except per share amounts and percentages)					
		Three months ended June 30,			
		2021		2020	% change
Construction revenue	$	**556,362**	$	282,766	96.8%
Costs of construction		**507,340**		262,290	93.4%
Gross profit		**49,022**		20,476	139.4%
Income from equity accounted investments		**1,796**		2,124	-15.4%
General and administrative expenses		**(30,524)**		(13,491)	126.3%
Income from operations		**20,294**		9,109	122.8%
Finance income		**290**		325	-10.8%
Finance and other costs		**(2,201)**		(1,549)	42.1%
Income before income taxes		**18,383**		7,885	133.1%
Income tax expense		**4,753**		2,261	110.2%
Net income for the period	$	**13,630**	$	5,624	142.4%
Total comprehensive income for the period	$	**13,807**	$	5,604	146.4%
Basic and diluted earnings per share	$	**0.26**	$	0.13	100.0%
Adjusted Earnings(1)	$	**14,950**	$	6,566	127.7%
Adjusted Earnings Per Share(1)	$	**0.28**	$	0.15	86.7%
Adjusted EBITDA(1)	$	**30,112**	$	12,328	144.3%
Adjusted EBITDA Margin(1)		**5.4%**		4.4%	1.0%

(1) Adjusted Earnings, Adjusted Earnings Per Share, Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures and do not have standardized meanings under IFRS. See "Terminology and Non-GAAP Measures."

During the second quarter of 2021, the Company earned net income of $13.6 million on construction revenue of $556.4 million, compared with net income of $5.6 million on $282.8 million of construction revenue in 2020. The year-over-year revenue increase in the second quarter of 96.8% was driven by the inclusion of revenue from Stuart Olson in 2021. In the second quarter of 2021, the Company observed a moderate increase in revenue for certain projects that were previously temporarily delayed by clients or public health measures as a result of the COVID-19 pandemic. This is the result of the easing of certain restrictive measures implemented in some provinces, particularly in British Columbia where the BC Public Health Office implemented worksite protocols that limited the number of employees on a specific project site, impacting several large contracts in the first quarter of 2021. In the second quarter of 2021, management estimates that the business experienced a net reduction in revenues of approximately $16.0 million with an associated decrease in profitability, due to both delays in permitting and shifts in project timing associated with the COVID-19 pandemic.

The year-over-year increase in second quarter net income reflects a combination of additional margin from the acquisition of Stuart Olson, inclusive of synergies, as well as progress in diversifying the work program, and improving year-over-year margins in operations particularly due to increased activity in the Company's self-perform industrial projects. Additionally, net income in the second quarter of 2020 was negatively impacted by reduced productivity and project delays resulting from the COVID-19 pandemic, which had a significant unfavourable impact on earnings, whereas market conditions related to the pandemic began to recover during the second quarter of 2021.

The Company's 2021 second quarter gross profit of $49.0 million was $28.5 million higher than the $20.5 million gross profit recorded a year ago. Gross Profit Percentage in the second quarter of 2021 was 8.8%, an increase of 160 basis points from 7.2% recorded a year ago. The year-over-year increase in gross profit is due to a combination of additional gross profit from the inclusion of Stuart Olson and diversification of the Company's work program in the second quarter of 2021, as well as improving year-over-year margins in operations. In contrast, during the second quarter of 2020, the pandemic had a significant negative impact on gross profit due to project delays, increased costs due to reduced productivity and additional personal protective equipment required on project sites. Second quarter 2021 gross profit includes a recovery of $7.8 million of compensation expense in costs of construction for the CEWS program, which helped to offset additional costs incurred by the Company related to the pandemic. The Company did not recognize any CEWS program recoveries in the second quarter of 2020.

Income from equity accounted investments in the second quarter of 2021 was $1.8 million, compared with $2.1 million of income in same period of 2020. The lower income in 2021 is primarily due to lower equity income from PPP concession entities that was partially offset by higher earnings on projects executed by Stack Modular.

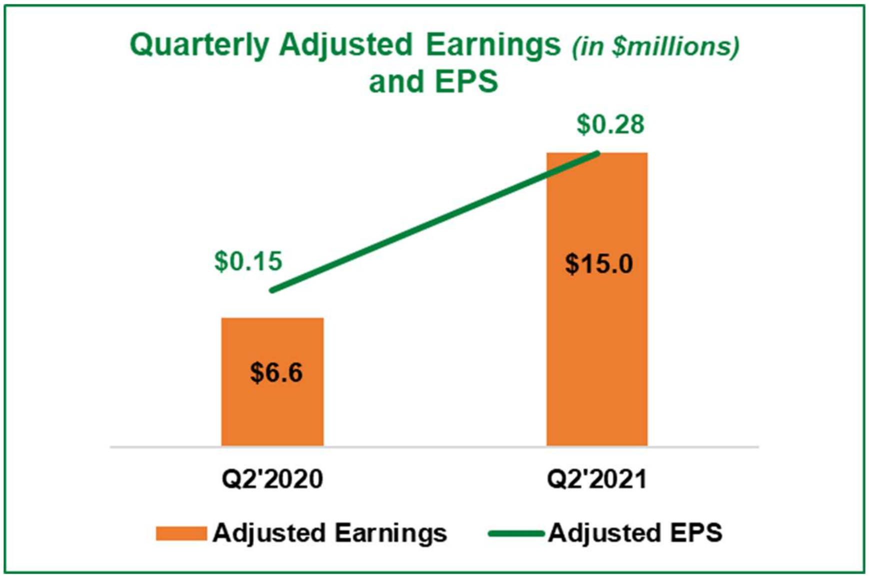
In the second quarter of 2021, general and administrative expenses of $30.5 million (5.5% of revenue) were $17.0 million higher than $13.5 million (4.8% of revenue) in the corresponding period a year ago. The primary driver for the year-over-year increase is the addition of Stuart Olson results post-acquisition. Also, in the second quarter of 2020, cost management initiatives were implemented in response to the early stages of the COVID-19 pandemic. Compensation costs are higher year-over-year by $9.9 million (net of $1.2 million related to cost recoveries from the CEWS program in the second quarter of 2021). The increase in compensation costs is due to the addition of Stuart Olson employees, higher profit sharing accruals and higher share-based compensation expense due to the improvement in the Company's share price year-over-year, partially offset by a gain on the Company's Total Return Swap derivative contracts ("TRS"). During the second quarter of 2020, the Company instituted mandatory wage reductions to its employees to preserve the financial health of the business and keep it agile through the pandemic. With the CEWS program enacted by the federal government, the Company was ultimately able to restore and reimburse its employees for the reduced wages in 2020. Also driving the year-over-year increase were $4.0 million of higher amortization and depreciation costs, higher technology costs of $1.6 million and higher other discretionary costs of $0.9 million as market conditions continue to recover as the COVID-19 pandemic eases. The Company also incurred higher professional fees of $0.4 million primarily due to integration activities associated with the Stuart Olson acquisition. During the second quarter, the Company also recorded lower gains on disposal of property and equipment of $1.3 million which contributed to the higher expenses. Partially offsetting the increase in expenses were lower director-related costs of $0.8 million year-over-year due to a higher mark-to-market gain on the deferred share unit ("DSU") plan in the second quarter of 2020 versus 2021. In addition, there were lower pursuit costs of $0.2 million and lower foreign exchange costs of $0.1 million year-over-year.

Finance income of $0.3 million in the second quarter of 2021 was comparable to the $0.3 million recorded in the same period of 2020.

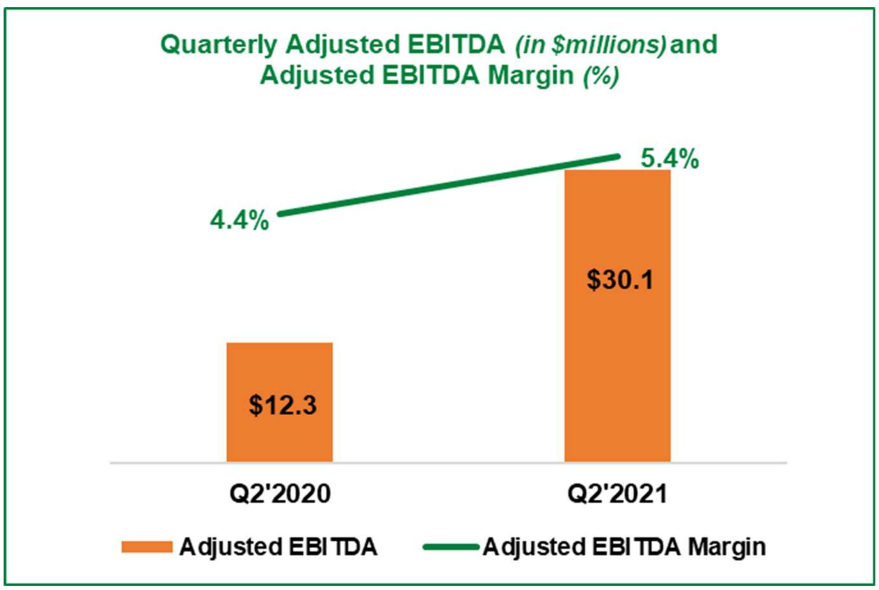
Finance and other costs of $2.2 million were higher than the $1.5 million reported in the second quarter of 2020. The increase was mainly due to $1.0 million higher interest expense on loans and borrowings and right-of-use liabilities and $0.2 million of higher other finance costs. This was partially offset by $1.0 million of lower interest on non-recourse project financing due to the repayment of the loan facility and $0.4 million gains on interest rate swaps.

In the second quarter of 2021, income tax expense was $4.8 million, compared to $2.3 million recorded in the second quarter of 2020. The increase in income tax expense was in-line with the improvement in year-over-year income before taxes, partially offset by a lower effective tax rate. The effective tax rate was 25.9% in 2021 compared to 28.7% in 2020 primarily due to a lower combined federal and provincial statutory income tax rate.

In the second quarter of 2021, total comprehensive income was $13.8 million, compared to $5.6 million in the second quarter of 2020. During the quarter, the Company recorded a $0.2 million gain, net of deferred tax, on its defined benefit pension plans, acquired in the transaction with Stuart Olson, as a result of a gain on the plans' assets due to investment earnings being higher than the expected interest income.



Adjusted Earnings and Adjusted Earnings Per Share in the second quarter of 2021 were $15.0 million and $0.28, respectively, compared with Adjusted Earnings and Adjusted Earnings Per Share in the second quarter of 2020 of $6.6 million and $0.15, respectively. The year-over-year increase in second quarter Adjusted Earnings is reflective of the improvement in net income described above and a year-over-year increase of $0.4 million of tax effected integration and restructuring expenses.



Adjusted EBITDA and Adjusted EBITDA Margin in the second quarter of 2021 were $30.1 million and 5.4%, respectively. Adjusted EBITDA increased $17.8 million from Adjusted EBITDA of $12.3 million in the second quarter of 2020. Adjusted EBITDA Margin increased 105 basis points from the Adjusted EBITDA margin of 4.4% recorded in the second quarter of 2020. The year-over year increase is reflective of the improvement in quarterly earnings described above and a year-over-year increase of $0.5 million of pre-tax integration and restructuring expenses.

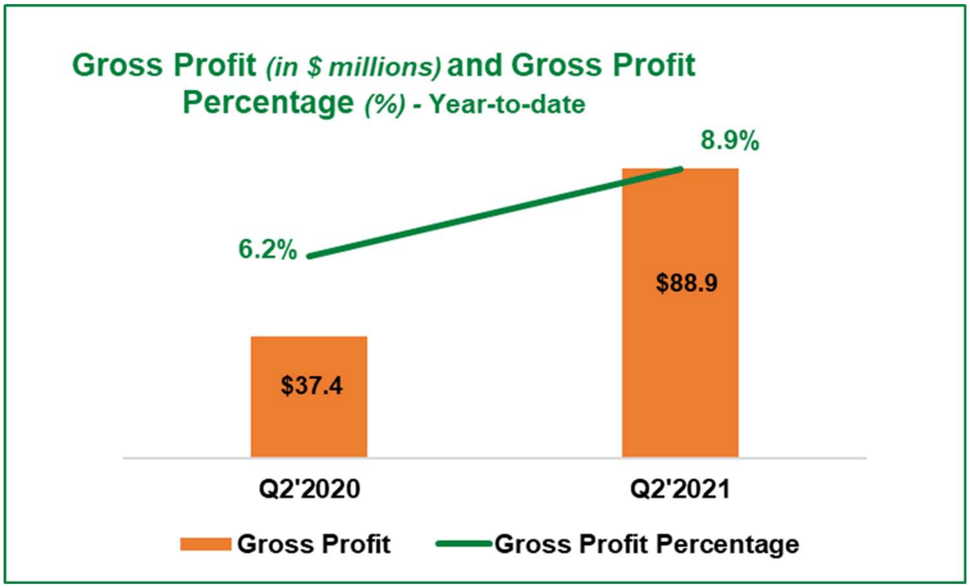
YEAR-TO-DATE RESULTS OF OPERATIONS

Consolidated Statement of Income and Additional Financial Indicators (in thousands of Canadian dollars except per share amounts and percentages)					
		Six months ended June 30,			
		2021		2020	% change
Construction revenue	$	1,000,999	$	604,412	65.6%
Costs of construction		912,061		567,020	60.9%
Gross profit		88,938		37,392	137.9%
Income from equity accounted investments		2,118		3,846	-44.9%
General and administrative expenses		(59,961)		(28,260)	112.2%
Income from operations		31,095		12,978	139.6%
Finance income		592		1,091	-45.7%
Finance and other costs		(3,940)		(4,643)	-15.1%
Income before income taxes		27,747		9,426	194.4%
Income tax expense		6,998		2,679	161.2%
Net income for the period	$	20,749	$	6,747	207.5%
Total comprehensive income for the period	$	23,340	$	6,681	249.3%
Basic and diluted earnings per share	$	0.39	$	0.16	143.8%
Adjusted Earnings(1)	$	24,087	$	7,689	213.3%
Adjusted Earnings Per Share(1)	$	0.45	$	0.18	150.0%
Adjusted EBITDA(1)	$	51,152	$	19,890	157.2%
Adjusted EBITDA Margin(1)		5.1%		3.3%	1.8%

(1) Adjusted Earnings, Adjusted Earnings Per Share, Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures and do not have standardized meanings under IFRS. See "Terminology and Non-GAAP Measures."

During the first half of 2021, the Company recorded net income of $20.7 million on construction revenue of $1,001.0 million compared with net income of $6.7 million on $604.4 million of construction revenue in 2020. The year-over-year increase in revenue of 65.6% was driven by the inclusion of revenue from Stuart Olson in 2021. The increase in revenue was partially offset by lower revenues in work programs due to delays in securing new projects and projects that were temporarily delayed by clients as a result of the COVID-19 pandemic. In the first half of 2021, management estimates that the business experienced a reduction in revenues of approximately $116.0 million with an associated decrease in profitability, due to both public health restrictions and delays in permitting associated with the COVID-19 pandemic. As vaccination programs continued to accelerate throughout the second quarter of 2021, certain restrictive measures implemented in some provinces have eased, particularly in British Columbia where, in the first quarter of 2021, the BC Public Health Office implemented worksite protocols that limited the number of employees on a specific project site impacting several large contracts.

The year-over-year increase in net income reflects a combination of additional margin from the acquisition of Stuart Olson, inclusive of synergies, as well as progress with diversifying the work program and improving year-over-year margins in operations. Net income in the first half of 2021 was negatively impacted by reduced productivity and project delays resulting from the pandemic, which had an unfavourable impact on earnings and were offset by a pre-tax compensation expense recovery of $20.1 million recognized in the first half of 2021 for CEWS.



The Company's 2021 first half gross profit of $88.9 million was $51.5 million higher than the $37.4 million gross profit recorded a year ago. Gross Profit Percentage in the first half of 2021 was 8.9%, an increase of 270 basis points from 6.2% recorded a year ago. The year-over-year increase in gross profit is due to a combination of additional gross profit from the inclusion of Stuart Olson and diversification of the Company's work program, as well as improving year-over-year margins in operations. The pandemic had a negative impact on gross profit year-to-date due to lower productivity and project delays and was offset by the recovery of $18.8 million of compensation expense in costs of construction under the CEWS program.

Income from equity accounted investments in the first half of 2021 was $2.1 million, compared with $3.8 million of income in same period of 2020. The lower income in 2021 is primarily due to lower equity income from PPP concession entities and lower activity in equity accounted projects in Eastern Canada year-over-year. Additionally, included in the first half of 2020 was a net gain on sale of one of the Company's investments in equity accounted entities of $0.4 million.

In the first half of 2021, general and administrative expenses of $60.0 million (6.0% of revenue) were $31.7 million higher than $28.3 million (4.7% of revenue) in the corresponding period a year ago. The primary driver for the year-over-year increase is the addition of Stuart Olson results post-acquisition. Compensation costs are higher year-over-year by $17.3 million (net of $1.4 million related to cost recoveries from the CEWS program year-to-date). The increase in compensation costs is due to the addition of Stuart Olson employees, higher profit sharing expense and higher share-based compensation expense due to the improvement in the Company's share price year-over-year, partially offset by a gain on the Company's TRS derivative contracts. Director-related costs increased by $2.1 million year-over-year due to higher share-based compensation expense on the DSU plan as a result of an increase in Bird's share price. Also driving the year-over-year increase were $8.1 million of higher amortization and depreciation costs, higher technology costs of $2.8 million and higher pursuit costs of $0.3 million. The Company also incurred higher professional fees of $1.8 million, primarily related to integration activities associated with the acquisition of Stuart Olson. During the first half of 2021, the Company also recorded lower gains on disposal of property and equipment of $1.2 million which contributed to the higher expenses. Partially offsetting the increase in expenses were lower travel and other discretionary costs of $1.6 million, largely due to the COVID-19 pandemic, and an improvement in foreign exchange of $0.3 million.

Finance income of $0.6 million in the first half of 2021 was lower than the $1.1 million recorded in the same period of 2020. Interest earned on average cash balances during the first half of 2021 was lower due to a reduction in cash held for joint operations as projects near completion compared to the prior year, combined with lower interest rates.

Finance and other costs of $3.9 million were lower than the $4.6 million reported in the first half of 2020. In the first half of 2021, there was $2.1 million of lower interest on non-recourse project financing due to the repayment of the loan facility on completion of the project and $0.5 million lower losses on interest rate swaps. The decrease was partially offset by $1.6 million higher interest expense on loans and borrowings and right-of-use liabilities and $0.3 million of higher other finance costs.

In the first half of 2021, income tax expense was $7.0 million, compared to $2.7 million recorded in the first half of 2020. The increase in income tax expense was in-line with the improvement in year-over-year income before taxes, partially offset by a lower effective tax rate. The effective tax rate was 25.2% in 2021 compared to 28.4% in 2020 primarily due to a lower combined federal and provincial statutory income tax rate.

In the first half of 2021, total comprehensive income was $23.3 million, compared to $6.7 million in the first half of 2020. During the first half of 2021, in addition to the year-over-year improvement in net income discussed above, the Company recorded a $2.6 million gain, net of deferred tax, on its defined benefit pension plans, acquired in the transaction with Stuart Olson, as a result of an increase in the discount rate and gains on the plans' assets due to investment earnings being higher than the expected interest income.

Adjusted Earnings and Adjusted Earnings Per Share in the first half of 2021 were $24.1 million and $0.45, respectively, compared with Adjusted Earnings and Adjusted Earnings Per Share in the first half of 2020 of $7.7 million and $0.18, respectively. The year-over-year increase in Adjusted Earnings is reflective of the improvement in net income described above and the year-over-year increase of $2.4 million of tax effected integration and restructuring expenses.

Adjusted EBITDA and Adjusted EBITDA Margin in the first half of 2021 were $51.2 million and 5.1%, respectively. Adjusted EBITDA increased $31.3 million from Adjusted EBITDA of $19.9 million in the first half of 2020. Adjusted EBITDA Margin increased 180 basis points from the Adjusted EBITDA margin of 3.3% recorded in the first half of 2020. The year-over year increase is reflective of the improvement in earnings described above and the year-over-year increase of $3.1 million of pre-tax integration and restructuring expenses.

KEY PERFORMANCE INDICATORS

Securements, Pending Backlog and Backlog

Securing profitable construction contracts and then controlling the costs during the execution of that work are the key drivers of success for the Company. To achieve this, new work must be available, which is a function of the general state of the economy. In periods of strong economic growth, client capital spending will generally increase and there will be more opportunities available in the construction industry. In economic downturns, fewer opportunities typically exist and competition for those opportunities becomes even more intense, generally resulting in lower Gross Profit Percentages. The Company must be successful in securing profitable work in various economic conditions. The construction industry is highly fragmented and accordingly, the Company competes with several international, national, regional and local construction firms. One of the Company's competitive advantages rests in its long-standing reputation for successfully delivering high quality projects that fully meet the needs of the customer, which enables the Company to secure repeat business from existing clients and win work with new clients.

The Company's success in securing work is reflected in the values of its Pending Backlog and Backlog. The following table shows the Company's balances at the end of the following reporting periods:

(in thousands of Canadian dollars)		June 30, 2021		December 31, 2020
Pending Backlog [(1)]	$	**1,647,600**	$	1,635,900
Backlog [(1)]	$	**2,709,348**	$	2,682,498

(1) Pending Backlog and Backlog do not have standardized meanings under IFRS. See "Terminology and Non-GAAP Measures."

Pending Backlog at June 30, 2021 was $1,647.6 million compared to $1,635.9 million at December 31, 2020. The Company's Backlog of $2,709.3 million at June 30, 2021 increased $26.9 million or 1.0% from December 31, 2020. Pending Backlog and Backlog compared to December 31, 2020 are relatively flat due to the impact of the COVID-19 pandemic on the timing of new project awards.

Pending Backlog includes approximately $1.0 billion of Master Service Agreement ("MSA")-type contracts. These contracts are typically with industrial clients, that span multiple years for MRO services, and represent a recurring revenue steam over the next one to six years. The Company expects to convert these MSAs to Backlog on a regular basis as purchase orders are received. The remaining projects comprising Pending Backlog are geographically diverse and span multiple sectors and contracting methods. Projecting the timing of converting these projects into contracts has become more difficult as a result of the pandemic and several have shifted into late 2021.

The following table outlines the changes in the amount of the Company's Backlog throughout the current and prior reporting periods:

(in millions of Canadian dollars)		Six months ended June 30, 2021		Year ended December 31, 2020		Six months ended June 30, 2020
Opening balance	$	**2,682.5**	$	1,547.4	$	1,547.4
Business combination		**-**		995.7		-
Securement and change orders		**1,027.8**		1,643.8		702.4
Realized in construction revenues		**(1,001.0)**		(1,504.4)		(604.4)
Closing balance	$	**2,709.3**	$	2,682.5	$	1,645.4

Gross Profit Percentage

Once the Company has secured a contract, the profitability of that contract, measured by the Gross Profit Percentage, is primarily a function of management's ability to control costs, achieve productivity objectives associated with the contract and resolve commercial issues if they arise.

During the second quarter of 2021 the Company realized a Gross Profit Percentage of 8.8% compared with 7.2% in second quarter of 2020. During the first half of 2021 the Company realized a Gross Profit Percentage of 8.9% compared with 6.2% in 2020. The year-over-year increase in Gross Profit Percentage for the second quarter and the first half of 2021 is discussed in the sections above entitled Quarterly Results of Operations and Year-to-Date Results of Operations, respectively.

Financial Condition

The Company must have adequate working capital and equity retained in the business to support its ongoing operations, including surety and contract security requirements. The Company continually monitors the adequacy of its working capital and equity to satisfy contract security needs. Working capital is calculated as total current assets less total current liabilities.

The following table shows the working capital and shareholders' equity balances of the Company at the end of the following current and prior reporting periods:

(in thousands of Canadian dollars)		June 30, 2021		December 31, 2020
Working capital	**$**	**142,728**	$	135,514
Shareholders' equity	**$**	**225,607**	$	212,610

As a result of the strength of the Company's balance sheet, the Company believes it has sufficient amounts of both working capital and equity to execute on its diversified work program and to accommodate expected growth in that work program for the remainder of 2021. Further discussion of the change in the Company's working capital and shareholders' equity balances is provided in the section entitled Financial Condition, Capital Resources & Liquidity.

Safety

Bird’s approach to safety continues to evolve in response to new technologies, tools, strategies, and challenges such as COVID-19. At Bird, ensuring that all work on the Company’s sites is executed to exacting quality standards begins with the commitment to creating and sustaining a culture in which the identification, assessment, and elimination or control of hazards and risks is incorporated into every aspect of operations. This is a cornerstone of the Company’s operational philosophy and approach.

Bird’s approach to developing a healthy safety culture begins with senior leadership articulating safety values and policy coupled with an integrated / long-term strategic focus on risk reduction. This foundation extends to project risk mitigation beginning with pre-project safety planning and strong safety execution practices ranging from competent project leadership, thorough frontline onboarding routines, through to regular safety program oversight and evaluation. The Company’s health, safety and environment philosophy subscribes to being a learning organization constantly seeking opportunities to improve. All the foregoing is underpinned by all workers and trades partners being highly engaged in day-to-day safety expectations.

Ensuring that all workers leave the jobsite everyday just as healthy and safe as when they arrived is a shared commitment and by working collaboratively with employees and trade partners to achieve this, the Company minimizes risk and creates the appropriate conditions for the safe execution of construction activity, on-time, on-budget, and to client’s satisfaction. The Company believes this shared commitment is critical to its overall success.

At Bird, personal ownership is not just a vision or a philosophy, it is a daily routine practiced with discipline and rigour on all Bird job sites.

The following table shows the Company’s safety key performance indicators for the following periods:

	Six months ended June 30, 2021	June 30, 2020	Year ended December 31, 2020
Person-hours of work	**4,766,273**	1,831,307	5,641,819
Lost time incidents ("LTI")	**1**	0	1
Lost time incidents frequency ("LTIF")	**0.04**	0.00	0.04

OUTLOOK

Management expects to realize revenue growth in the second half of 2021 as end market demand continues to improve and projects resume a regular cadence. Visibility is improving toward a post-pandemic economic recovery, which is further supported by the Company's record Backlog as at the end of Q2 2021.

Market conditions continue to recover and the Company is gaining momentum and sees a growing pipeline of opportunities, notwithstanding the impact of the third wave of the COVID-19 pandemic in the second quarter. While the Company continues to experience some modest delays in project tenders and awards from clients, Bird expects to return to a greater level of normalcy in the second half of the year as the rate of vaccinations across the country increases and visibility continues to improve toward a post-pandemic economic environment. Consequently, management expects revenue to grow throughout the second half of the year compared to the same period in 2020 as projects resume a regular cadence. This is further supported by the Company's record combined Backlog as at the end of Q2 2021. While revenues are expected to grow in the second half of the year, the Company does not expect that it will continue to qualify for CEWS beyond the second quarter of 2021 but will continue to monitor its eligibility.

Management is optimistic about the near-to medium-term growth prospects for the Company. While the severity and duration of the pandemic remains uncertain, projects are returning to pre-pandemic levels and the bidding pipeline is healthy. Furthermore, Bird is well positioned to benefit from federal government stimulus and provincial budgetary spending programs given the Company's expanded capabilities and scale. Coupled with Bird's strong presence in Alberta, the stronger commodity price environment bodes well for the Company to secure contracts from clients investing in mid-to long-term projects.

The integration of Stuart Olson remains on track. Management expects to achieve the previously stated $25.0 million in annualized cost synergies by the end of 2021. To date, the Company has set in motion $10.0 million in annualized cost synergies that will be realized throughout the second half of the year and fully realized $15.0 million in annualized interest and depreciation and amortization synergies since closing. Further, the Company expects to benefit from revenue synergies as cross-selling opportunities yield results.

The Company plans to release a new three-year strategic plan later in 2021. Key facets of the new strategic plan will include a focus on the further development of Bird's team, strong project execution and the geographic diversification of service offerings. The Company is highly focussed on improving margin performance and growing revenues from both organic sources and through accretive tuck-in acquisitions designed to add additional complementary business capabilities. Bird is committed to prioritizing sustainability and its Sustainability Overview can be viewed in the Company's 2020 Annual Report and under the Sustainability section on the Company's webpage.

The Company continues to maintain a strong balance sheet, with sufficient borrowing capacity under its facilities. From a capital allocation standpoint, Bird will continue to diligently deploy capital as it balances priorities. In the short term, management expects to deploy cash generated from operating activities towards further strengthening its balance sheet, which will position the Company to successfully capitalize on both organic growth and acquisition opportunities. With this backdrop, Bird is ideally positioned to play a major role in the Canadian construction industry with the potential to create long-term value through sustainable, profitable growth for all stakeholders.

CAPABILITY TO DELIVER RESULTS

Productive capacity relates to the financial and non-financial resources available to the Company to execute its strategy and achieve planned results. From a financial perspective, the Company believes it has sufficient working capital and access to operating lines of credit to execute its near term operational and growth forecast. The belief is explained in sections of this MD&A dealing with financial condition and liquidity.

In addition to financial capacity, the success of the Company is dependent upon the management and leadership skills of senior management. On an annual basis, high-performing candidates are identified for training and progression into more senior positions within the Company. The Company's performance management system emphasizes the development of leadership skills. In addition, the Company sponsors internal and external training programs, including the Bird Leadership Academy, the Bird Site Management program and the Taking Flight management training program, to provide a forum for high-potential candidates to develop their leadership skills.

FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY

The following table presents a summary of the Company's financial condition at the end of the following reporting periods:

(in thousands of Canadian dollars)		June 30, 2021		December 31, 2020
Cash and cash equivalents	$	**97,070**	$	212,068
Non-cash working capital		**45,658**		(76,554)
Working capital	$	**142,728**	$	135,514
Non-current loans and borrowings	$	**55,457**	$	64,903
Non-current right-of-use liabilities	$	**57,840**	$	59,327
Shareholders' equity	$	**225,607**	$	212,610

As a result of the strength of the Company's balance sheet, the Company believes it has sufficient amounts of both working capital and liquidity to execute its Backlog and to accommodate expected growth in its diversified work program during 2021.

As a component of working capital, the Company maintains a balance of cash and cash equivalents. At June 30, 2021, this balance totalled $97.1 million. Accessible cash at June 30, 2021 was $2.8 million ($96.7 million at December 31, 2020) with the remaining cash and cash equivalents balance held in trust or joint operations accounts. Accessible cash at June 30, 2021 decreased due to cash investments in working capital to support the Company's growing work programs.

Non-cash working capital was in a net asset position of $45.7 million at June 30, 2021, compared to a net liability position of $76.6 million at December 31, 2020. The decrease in the net liability position utilized $122.3 million of cash in the first half of 2021. The overall use of cash is consistent with the Company's expectations and is mainly due to the shifts in project mix and the stage of completion on certain major projects.

The non-cash working capital position fluctuates significantly in the normal course of business from period to period, primarily due to the timing of differences between the settlement of payables due to subcontractors and suppliers, billings and collection of receivables from clients, and the timing in the settlement of income taxes payable. The Company's cash balances absorb these fluctuations with no net impact to the Company's net working capital position or ability to access contract surety support. The Company believes it has sufficient working capital to support its current and projected contract requirements.

At June 30, 2021, the Company had working capital of $142.7 million compared with $135.5 million at December 31, 2020, an increase of $7.2 million. The $7.2 million increase is primarily the result of the Company's net income of $20.7 million exceeding the $10.3 million of dividends by $10.4 million. In addition, there were increases in provisions and other liabilities of $9.2 million. This is partially offset by $3.2 million of property and equipment additions and $9.2 million of additional investments in equity accounted entities held for sale and in other assets.

The $13.0 million increase in the Company's shareholders' equity since December 31, 2020 was primarily the result of net income of $20.7 million, other comprehensive income of $2.6 million (primarily comprising of defined benefit plan actuarial gains) partially offset by $10.3 million of dividends declared.

The Company has a three-year committed, syndicated credit facility. The Company is well-served by its long-held philosophy of maintaining a strong balance sheet and, as a result, is well-positioned to weather these uncertain times with $2.8 million of accessible cash and cash equivalents (excluding cash held in joint ventures and trust accounts) and $124.8 million of capacity available via its committed, syndicated credit facility as well as a non-committed accordion of up to an additional $50.0 million. The Company has an agreement with Export Development Canada ("EDC") to provide performance security guarantees of up to $75.0 million for letters of credit issued by financial institutions on behalf of the Company, which further increases liquidity. Despite the negative financial impacts from the COVID-19 pandemic, the Company has sufficient funding to meet its foreseeable operating requirements and expects to remain in compliance with all banking covenants.

Credit Facilities

The Company has several credit facilities available to access in order to support the issuance of letters of credit, finance future capital expenditures and finance the day-to-day operations of the business.

Syndicated Credit Facility

- **Committed revolving credit facility**

  The Company has a committed revolving credit facility up to $165.0 million. The facility matures December 7, 2023. As part of the agreement, the Company provides a general secured interest in the assets of the Company. At June 30, 2021, the Company has $20.2 million (December 31, 2020 - $22.7 million) in letters of credit outstanding and has drawn $20.0 million on this facility (December 31, 2020 - $25.0 million). The $20.0 million draw is presented as non-current loans and borrowings on the Company's statement of financial position. Borrowings under the facility bear interest at a rate per annum equal to the Canadian prime rate plus a spread. A standby fee is payable quarterly on the unutilized portion of the facility. During the second quarter, the Company borrowed $20.0 million for temporary working capital purposes, which was repaid during the quarter. In addition, during the first quarter of 2021, the Company repaid $5.0 million of its revolving credit facility.

- **Committed non-revolving term loan facility**

  The Company has a committed non-revolving term loan facility totalling $35.0 million to finance the acquisition of Stuart Olson. As of June 30, 2021, the Company has an outstanding balance of $34.1 million on the facility (December 31, 2020 - $35.0 million). The loan has scheduled repayments due quarterly until the maturity date of September 24, 2028. Any repayment of the facility cannot be reborrowed. Borrowings under the facility bear interest at a rate per annum equal to the Canadian prime rate plus a spread. During the first half of 2021, the Company repaid $0.9 million of this facility.

- **Accordion**

  The Company has a non-committed accordion of up to an additional $50.0 million to increase the limit of the committed revolving credit facility and the committed non-revolving term debt facility. The aggregate increase to the committed revolving credit facility and committed non-revolving term debt facility may not exceed the combined $50.0 million. The accordion requires creditor approval before it is available.

The Company was in full compliance with its covenants under each respective facility as at June 30, 2021 and December 31, 2020.

Letters of Credit Facilities

The Company has available $125.0 million of demand facilities used primarily to support the issuance of letters of credit. All letters of credit issued under these facilities are supported by the pledge of Company-owned financial instruments, including cash, or through a guarantee from EDC. At June 30, 2021, the Company has $48.4 million in letters of credit outstanding on these facilities (December 31, 2020 - $44.5 million).

The Company has available a facility with EDC to support the issuance of contract performance security letters of credit issued by financial institutions on behalf of the Company. The Company can use this facility only when letters of credit have been issued as contract security for projects that meet the EDC mandate.

Letters of credit are typically issued to support the Company's performance obligations on major construction projects.

The following table outlines the amount of the credit facilities, the amount of issued letters of credit and the amount of collateral pledged in support of the outstanding letters of credit at the end of the current and prior reporting periods:

(in thousands of Canadian dollars)		June 30, 2021		December 31, 2020
Committed revolving credit facility	$	**165,000**	$	165,000
Letters of credit issued from committed revolving credit facility		**20,173**		22,702
Drawn from committed revolving credit facility		**20,000**		25,000
Available committed revolving credit facility		**124,827**		117,298
Committed non-revolving term loan facility	$	**35,000**	$	35,000
Repayment of committed non-revolving term loan facility		**(875)**		-
Drawn committed non-revolving term loan facility		**34,125**		35,000
Non-committed Available Accordion	$	**50,000**	$	50,000
Letters of credit facilities	$	**125,000**	$	125,000
Letters of credit issued from letters of credit facilities		**48,441**		44,490
Available letters of credit facilities		**76,559**		80,510
Collateral pledged to support letters of credit	$	**139**	$	139
Guarantees provided by EDC	$	**48,303**	$	44,353

Equipment Financing

The Company has term credit facilities of up to $40.0 million to be used to finance equipment purchases. Borrowings under the facilities are secured with a first charge on the equipment being financed. As of June 30, 2021, there is $7.1 million outstanding on the facilities of which $0.1 million is classified as ROU liabilities (December 31, 2020 - $9.2 million of which $0.6 million is classified as ROU liabilities). Interest on the facilities can be charged at a fixed rate based on the Bank of Canada bond rate plus a spread. Interest is paid monthly in arrears.

The Company also has multiple, fixed interest rate, term loans which were used to finance equipment purchases. At June 30, 2021, the balance outstanding on these term loans amounted to $2.4 million (December 31, 2020 - $3.6 million). Principal and interest are payable monthly, and these term loans are secured by a first charge against the specific equipment financed using these facilities.

The Company's total lease commitments are outlined under the section entitled, Contractual Obligations.

At June 30, 2021 and December 31, 2020, the Company was in compliance with all debt covenants relating to its operating and equipment operating lease lines of credit.

Quarterly Cash Flow Data

The following table provides an overview of cash flows during the three months ended June 30, 2021 and 2020:

(in thousands of Canadian dollars)	Three months ended June 30, 2021	2020	$ change
Cash flows from operations before changes in non-cash working capital	$ **28,431**	$ 8,990	$ 19,441
Changes in contract assets - alternative finance projects	**-**	(23,722)	23,722
Changes in non-cash working capital and other	**(48,604)**	48,903	(97,507)
Cash flows from (used in) operating activities	**(20,173)**	34,171	(54,344)
(Investments) net of capital distributions from equity accounted entities	**1,482**	(4,092)	5,574
Additions to property, equipment and intangible assets	**(2,180)**	(3,316)	1,136
Proceeds on sale of property and equipment	**482**	4,173	(3,691)
Other long-term assets	**4,139**	(480)	4,619
Cash flows from (used in) investing activities	**3,923**	(3,715)	7,638
Dividends paid on shares	**(5,172)**	(4,146)	(1,026)
Proceeds from non-recourse project financing	**-**	20,229	(20,229)
Proceeds from loans and borrowings	**20,000**	-	20,000
Repayment of loans and borrowings	**(21,812)**	(17,523)	(4,289)
Repayment of right-of-use liabilities	**(4,599)**	(1,958)	(2,641)
Cash flows used in financing activities	**(11,583)**	(3,398)	(8,185)
Increase (decrease) in cash and cash equivalents	$ **(27,833)**	$ 27,058	$ (54,891)

Operating Activities

During the second quarter of 2021, cash flows from operating activities used cash of $20.2 million, a decrease of $54.3 million from the cash generated of $34.2 million in the second quarter of 2020.

Cash flows from operations before changes in non-cash working capital of $28.4 million increased $19.4 million year-over-year from the $9.0 million cash generated in 2020 primarily due to the $8.0 million improvement in net income and higher non-cash addbacks for income tax ($2.5 million), amortization and depreciation ($4.6 million) and deferred compensation ($2.0 million). In addition, there was a lower non-cash reduction for gain on sale of property and equipment of $1.2 million and other items of $1.1 million.

Changes in contract assets – alternative finance projects increased $23.7 million year-over-year. This change was partially offset by the $20.2 million reduction in proceeds from non-recourse financing in the second quarter. These variances relate to the OPP Modernization Phase 2 alternative finance project which reached substantial completion and was billed and collected during the fourth quarter of 2020, enabling the full repayment of the non-recourse project financing in the same quarter.

Cash from changes in non-cash working capital and other decreased $97.5 million year-over-year. The change in non-cash working capital reflects a larger seasonal funding of working capital as a result of the Stuart Olson acquisition due to a significant shift in project mix and increased activity on self-perform projects as well as significant shifts in the stage of completion of projects. In contrast, during the second quarter of 2020, the slowdown in activity as a result of the onset of the pandemic resulted in the conversion of non-cash working capital to cash. The non-cash working capital position fluctuates significantly in the normal course of business from period to period, primarily due to the timing of differences between the settlement of payables due to subcontractors and suppliers, billings and collection of receivables from clients, and the timing of the settlement of income taxes payable.

Investing Activities

During the second quarter of 2021, the Company generated $3.9 million of cash from investing activities compared to the $3.7 million used in 2020. The quarterly change of $7.6 million is primarily driven by an increase in other long-term assets of $4.6 million. In addition, the Company made incremental investments in equity accounted entities of $4.2 million in 2020 whereas no additional investments were made in the second quarter of 2021. The Company also received higher distributions of $1.3 million from equity accounted entities in 2021, resulting in an overall change of $5.5 million. Also contributing to the change are lower additions to property, equipment and intangible assets of $1.1 million, offset by lower proceeds on the sale of equipment of $3.7 million.

Financing Activities

During the second quarter of 2021, the Company used $11.6 million of cash from financing activities compared to $3.4 million used in 2020. The quarterly change of $8.2 million is primarily driven by the previously described $20.2 million of lower proceeds from non-recourse project financing in the first half of 2020. Additionally, repayment of loans and borrowings and right-of-use liabilities were $6.9 million higher than the same period in 2020, offset by proceeds of $20.0 million of loans and borrowings. Dividend payments in the quarter increased by $1.0 million due to additional shares outstanding since the completion of the Stuart Olson acquisition in the third quarter of 2020.

Year-to-Date Cash Flow Data

The following table provides an overview of cash flows during the six months ended June 30, 2021 and 2020:

	Six months ended June 30,		
(in thousands of Canadian dollars)	**2021**	2020	$ change
Cash flows from operations before changes in non-cash working capital	**$ 49,223**	$ 16,049	$ 33,174
Changes in contract assets - alternative finance projects	**113**	(50,834)	50,947
Changes in non-cash working capital and other	**(138,048)**	446	(138,494)
Cash flows used in operating activities	**(88,712)**	(34,339)	(54,373)
(Investments) net of capital distributions from equity accounted entities	**757**	(3,258)	4,015
Proceeds on sale of investment in equity accounted entities	**-**	5,414	(5,414)
Additions to property, equipment and intangible assets	**(3,208)**	(5,643)	2,435
Proceeds on sale of property and equipment	**1,553**	5,586	(4,033)
Other long-term assets	**4,343**	(480)	4,823
Cash flows from investing activities	**3,445**	1,619	1,826
Dividends paid on shares	**(10,343)**	(8,291)	(2,052)
Proceeds from non-recourse project financing	**-**	39,084	(39,084)
Proceeds from loans and borrowings	**20,000**	16,250	3,750
Repayment of loans and borrowings	**(29,433)**	(19,151)	(10,282)
Repayment of right-of-use liabilities	**(9,754)**	(4,116)	(5,638)
Cash flows from (used in) financing activities	**(29,530)**	23,776	(53,306)
Decrease in cash and cash equivalents	**$ (114,797)**	$ (8,944)	$ (105,853)

Operating Activities

During the first half of 2021, cash flows from operating activities used cash of $88.7 million, an increase of $54.4 million from the cash used of $34.3 million in the first half of 2020.

Cash flows from operations before changes in non-cash working capital of $49.2 million increased $33.2 million year-over-year from the $16.0 million cash generated in 2020 primarily due to the $14.0 million improvement in net income and higher non-cash addbacks for income tax ($4.3 million), amortization and depreciation ($8.7 million) and deferred compensation ($3.4 million). In addition, there was a $1.7 million higher non-cash reduction for income from equity accounted investments, and a $1.0 million lower gain on sale of property and equipment.

Changes in contract assets – alternative finance projects in the first half of 2021 increased $50.9 million year-over-year. This change was partially offset by the $39.1 million reduction in proceeds from non-recourse financing. These variances relate to the OPP Modernization Phase 2 alternative finance project which reached substantial completion and was billed and collected during the fourth quarter of 2020, enabling the full repayment of the non-recourse project financing in the same quarter.

Cash from changes in non-cash working capital and other decreased $138.5 million year-over-year. As described above, this was primarily due to a larger funding of working capital in the first half of 2021 as the business continues to grow with the Stuart Olson acquisition (completed in the third quarter of 2020) and shifts in the Company's project mix and an increase in activity on self-perform projects. In contrast, during the second quarter of 2020, the slowdown in activity as a result of the onset of the pandemic resulted in the conversion of non-cash working capital to cash.

Investing Activities

During the first half of 2021, the Company generated $3.4 million of cash from investing activities compared to the $1.6 million generated in 2020. The year-over-year change of $1.8 million is primarily driven by an increase in other long-term assets of $4.8 million. In addition, in 2020, the Company received proceeds of $5.4 million from the sale of its investment in equity accounted entities, offset by net incremental investments made in equity investments of $4.0 million. Also contributing to the change are lower additions to property, equipment and intangible assets of $2.4 million, offset by lower proceeds on the sale of equipment of $4.0 million.

Financing Activities

During the first half of 2021, the Company used $29.5 million of cash from financing activities compared to $23.8 million generated in 2020. The year-over-year change of $53.3 million is primarily driven by the previously described $39.1 million of lower proceeds from non-recourse project financing in the first half of 2020. Additionally, repayment of loans and borrowings and right-of-use liabilities were $15.9 million higher than the same period in 2020, partially offset by proceeds on loans and borrowings of $3.8 million. Dividend payments in 2021 increased by $2.1 million due to additional shares outstanding since the completion of the Stuart Olson acquisition in the third quarter of 2020.

CONTRACTUAL OBLIGATIONS

At June 30, 2021, the Company has future contractual cash flow obligations of $586.0 million. Interest payments on the committed revolving credit facility and committed non-revolving term loan facility are not included in the table below since they are subject to variability based upon outstanding balances at various points throughout the period.

(in thousands of Canadian dollars)		Carrying amount	Contractual cash flows	Not later than 1 year	2 - 3 years	4 - 5 years	Later than 5 years
Accounts payable	$	**435,788**	**435,788**	419,518	15,499	771	-
Dividends payable		**1,724**	**1,724**	1,724	-	-	-
ROU liabilities		**75,742**	**84,655**	19,770	32,156	17,622	15,107
Committed revolving credit facility		**20,000**	**20,000**	-	20,000	-	-
Committed non-revolving term loan		**34,125**	**34,125**	2,625	9,450	9,800	12,250
Equipment financing		**9,355**	**9,745**	5,692	3,735	318	-
	$	**576,734**	**586,037**	449,329	80,840	28,511	27,357

FINANCIAL INSTRUMENTS

Financial instruments consist of recorded amounts of derivative contracts, accounts receivable and other like amounts that will result in future cash receipts, as well as accounts payable, dividends payable, loans and borrowings, and any other amounts that will result in future cash outlays. The fair value of the Company's loans and borrowings approximate their carrying values on a discounted cash flow basis as the majority of these obligations bear interest at market rates. The fair values of the remaining financial instruments approximate their carrying value due to their relatively short periods to maturity.

The Company uses certain derivative financial instruments which are measured at fair value through profit and loss ("FVTPL"). These include interest rate swaps to manage its interest rate risk, forward contracts to manage its foreign exchange risk on foreign currency payments and TRS derivative contracts for the purpose of managing its exposure to changes in the fair value of its share-based compensation programs due to changes in the Company's share price. The Company does not employ hedge accounting for any of its derivative contracts currently in place. The Company does not hold or use any derivative instruments for trading or speculative purposes. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews corporate policies on an ongoing basis. The financial instruments that Bird uses expose the Company to credit, liquidity, market and currency risks. Refer to Note 31 of the December 31, 2020 annual consolidated financial statements for further details.

Credit Risk

The Company is primarily exposed to credit risk through accounts receivable. Before entering into any construction contract and during the course of the construction project, the Company goes to considerable lengths to satisfy itself that the customer has adequate resources to fulfil its contractual payment obligations as construction work is completed. If a customer was unable or unwilling to pay the amount owing, the Company will generally have a right to register a lien against the project that will normally provide some security that the amount owed would be realized. The Company reviews impairment of its accounts receivable at each reporting period and reviews the provision for doubtful accounts for expected future credit losses. The Company takes into consideration the customer's payment history, creditworthiness, and the current economic environment in which the customer operates, to assess impairment. In determining the quality of accounts receivable, the Company considers any change in the credit quality of customers from the date credit was initially granted up to the end of the reporting period. At June 30, 2021, accounts receivable outstanding for greater than 90 days and considered past due by the Company's management represent 14.0% (December 31, 2020 – 17.2%) of the balance of progress billings on construction contracts receivable. Management has recorded an allowance of $0.9 million (December 31, 2020 - $1.5 million) against these past due receivables, net of amounts recoverable from others. Management is not concerned about the credit quality and collectability of these accounts, as the Company's customers are predominantly large in scale and of high creditworthiness, and the concentration of credit risk is limited due to the Company's sizeable and unrelated customer base.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial obligations as they become due. The Company manages this risk through management of its capital structure, monitoring and reviewing actual and forecasted cash flows and the effect on bank covenants, and maintaining unused credit facilities where possible to ensure there are available cash resources to meet the Company's liquidity needs. In managing liquidity risk, the Company has access to committed short and long-term debt facilities as well as equity markets, the availability of which is dependent on market conditions.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices and corporate bond yields, will affect the Company's income or the value of its holdings in liquid securities. The Company is exposed to interest rate risk to the extent that its credit facilities and TRS derivatives are based on variable rates of interest. For the period ended June 30, 2021, a one percent change in the interest rate applied to the Company's variable rate long-term debt would change annual income before income taxes by approximately $0.5 million (2020 – $0.3 million).

The Company has certain share-based compensation plans, whereby the values are based on the common share price of the Company. The Company has fixed a portion of the settlement costs of these plans by entering into various TRS derivative contracts maturing between 2021 and 2022. For the period ended June 30, 2021, a 10 percent change in the share price applied to the Company's TRS derivatives would change income before income taxes by approximately $1.3 million (2020 – $0.8 million).

Currency Risk

Currency risk is the risk that fluctuations in currency exchange rates will affect the Company's net income. The Company uses foreign currency to settle payments to vendors and subcontractors in the foreign currency. During the first half of 2021, the Company entered into foreign currency forward contracts to buy US dollars for the purpose of managing its foreign currency risk. These derivative contracts have settlement dates extending to November 2022. For the period ended June 30, 2021, a 10% movement in the Canadian and U.S. dollar exchange rate would have changed income by approximately $0.2 million (2020 – $0.3 million).

DIVIDENDS

The Company declared monthly eligible dividends on common shares payable on or about the 20th of the month following the month in which the dividend was declared. The following table outlines Bird's dividend history:

Dividend Period			Dividend Declared
January 1, 2020	to	March 31, 2020	$0.0975
April 1, 2020	to	June 30, 2020	$0.0975
July 1, 2020	to	September 30, 2020	$0.0975
October 1, 2020	to	December 31, 2020	$0.0975
January 1, 2021	to	March 31, 2021	$0.0975
April 1, 2021	**to**	**June 30, 2021**	**$0.0975**

As of August 10, 2021, the Board of Directors has declared eligible dividends with a record date subsequent to June 30, 2021 for the following months:

Eligible dividends declared	Record date	Payment date	Dividend per share
July dividend	July 30, 2021	August 20, 2021	$0.0325
August dividend	August 31, 2021	September 20, 2021	$0.0325
September dividend	September 30, 2021	October 20, 2021	$0.0325
October dividend	October 29, 2021	November 19, 2021	$0.0325

OUTSTANDING COMMON SHARE DATA AND STOCK EXCHANGE LISTING

The Company is authorized to issue an unlimited number of common shares. The Company had a total of 53,038,929 common shares outstanding at June 30, 2021 (December 31, 2020 - 53,038,929). The Company's common shares are listed on the Toronto Stock Exchange ("TSX") under the trading symbol BDT.

OFF BALANCE SHEET ARRANGEMENTS

The Company has surety lien bonds issued on behalf of the Company valued at $92.5 million at June 30, 2021 (December 31, 2020 - $93.4 million).

The Company has recognized assets and liabilities for all leases with a term of more than twelve months, excluding low-value assets, in accordance with IFRS 16 *Leases*.

Further details of commitments and contingencies are included in Note 27 of the June 30, 2021 interim condensed consolidated financial statements.

SUMMARY OF QUARTERLY RESULTS

(in thousands of Canadian dollars, except per share amounts)	2019		2020				2021	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Revenue	$ 378,591	$ 420,612	$ 321,646	$ 282,766	$ 345,060	$ 554,960	$ 444,637	**$ 556,362**
Net income (loss)	6,782	8,167	1,123	5,624	8,822	20,534	7,119	**13,630**
Earnings (loss) per share	0.16	0.19	0.03	0.13	0.20	0.39	0.13	**0.26**
Adjusted Earnings(1)	6,782	8,167	1,123	6,566	12,364	21,526	9,137	**14,950**
Adjusted Earnings Per Share(1)	0.16	0.19	0.03	0.15	0.29	0.41	0.17	**0.28**
Adjusted EBITDA(1)	14,021	16,012	7,562	12,328	22,036	40,011	21,040	**30,112**

(1) Adjusted Earnings, Adjusted Earnings Per Share and Adjusted EBITDA are non-GAAP measures and do not have standardized meanings under IFRS. See "Terminology and Non-GAAP Measures."

The Company experiences more seasonality in its business in the first quarter and early second quarter as a result of the more annualized nature of its mining work program and the timing of new project starts in its industrial work program. Contracts typically extend over several quarters and often over several years. In addition, seasonal activity often increases in both the spring and fall for the Company's MRO services, related to oil sands plant turnarounds that are typically completed in this timeframe.

For purposes of quarterly financial reporting, the Company must estimate the cost required to complete each contract to assess the overall profitability of the contract and the amount of gross profit to recognize for the quarter. Such estimating includes contingencies to allow for certain known and unknown risks. The magnitude of the contingencies will depend on the nature and complexity of the work to be performed. As the contract progresses and remaining costs to be incurred and risk exposures become more certain, contingencies will typically decline or have been utilized, although certain risks will remain until the contract has been completed, and even beyond.

In some cases, variations in earnings may occur where costs incurred to date may be recoverable from insurance policies or claims to customers at a future date but cannot be recorded in the current quarter. In the case of insurance claims, financial recovery is not recorded until certainty of the recovery is attained. In the case of claims against customers that are considered constrained variable consideration, revenue is not recorded until it is highly probable that there will not be a significant reversal of cumulative revenue to date. As a result, earnings may fluctuate significantly from quarter-to-quarter, depending on whether large and/or complex contracts are completed or nearing completion during the quarter, or have been completed in a prior quarter, and may fluctuate based on timing of resolution of claims.

There are also several other factors that can affect the Company's revenues and profit from quarter-to-quarter. These include the timing of contract awards, the value of subcontractor billings and project scheduling. Management does not believe that any individual factor is responsible for changes in revenue from quarter-to-quarter, except for seasonality in the first quarter of each year and the impact of the COVID-19 pandemic. The World Health Organization declared COVID-19 a pandemic in the first quarter of 2020 and the pandemic's impact has continued to put downward pressure on the Company's revenue and earnings in subsequent quarters in 2020 and 2021.

ACCOUNTING POLICIES

The Company's significant accounting policies are outlined in the notes to the annual consolidated financial statements for the year ended December 31, 2020.

New Accounting Standards, Amendments and Interpretations Adopted

The Company adopted amendments to IFRS 16 Leases on a prospective basis on January 1, 2021. On May 28, 2020, the IASB issued COVID-19-Related Rent Concessions (Amendment to IFRS 16). The amendments are effective for annual periods beginning on or after June 1, 2020. Early adoption is permitted. The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19-related rent concessions that reduce lease payments due on or before June 30, 2021. Subsequently, on March 31, 2021, the IASB extended the practical expedient by 12 months; permitting lessees to apply it to rent concessions that reduce lease payments originally due on or before June 30, 2022. The new 2021 amendments are effective for annual periods beginning on or after April 1, 2021. Early adoption is permitted. The adoption of these amendments to IFRS 16 did not have a material impact on the financial statements.

Future Accounting Changes

There are new accounting standards, amendments to accounting standards and interpretations that are effective for annual periods beginning on or after January 1, 2022 and have not been applied in preparing the financial statements for the period ended June 30, 2021. These standards and interpretations are not expected to have a material impact on the Company's financial statements.

CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent assets and liabilities at the reporting date.

Uncertainty about these assumptions and estimates could result in a material adjustment to the carrying amount of an asset or liability and/or the reported amount of revenue and expense in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Estimates and judgements used in the preparation of these financial statements are consistent with those used in the preparation of the Company's December 31, 2020 annual consolidated financial statements, as described in Note 3 of the annual financial statements, and include:

- Assets and liabilities acquired in a business combination
- Revenue and gross profit recognition
- Provisions
- Impairment of non-financial assets
- Measurement of pension obligations
- Share-based payments
- Leases
- Income taxes

Impact of the COVID-19 pandemic

The COVID-19 pandemic has continued to disrupt global health and the economy in 2021. Notwithstanding the vaccination programs that are underway, the Canadian construction industry continues to face volatility as each provincial government has responded by implementing measures to address the public health threat. During the second quarter of 2021 and subsequent to June 30, 2021, vaccination rates in Canada continue to increase and the number of active cases have declined considerably from the peak of the third wave. Nevertheless, the variants of the virus that have emerged continue to be an important consideration; preventative safety measures remain in place and continue to vary from province to province as governments respond to fluctuations in case numbers. The duration of the pandemic and the associated impact to future financial and operational measures are unknown.

Due to the impact of the COVID-19 pandemic on both current and future market conditions and the economic environment, there is significant uncertainty and complexity in respect of certain judgements, estimates and assumptions used in the preparation of these financial statements. These include the amount of CEWS the Company has accrued or may qualify for in the future, project timing and progress, future contract awards, and collectability of accounts receivable and contract assets. The Company's operations could be impacted from disruptions to projects, the supply chain and shortages of labour. In addition, several projects that were expected to be awarded and secured have been delayed, suspended, or cancelled, and this could continue as a result of the pandemic. The future effectiveness of the Company's business continuity plan and various safety and austerity measures implemented is also subject to uncertainty.

CONTROLS AND PROCEDURES

As permitted by NI 52-109, *Certification of Disclosures in Issuers' Annual and Interim Filings*, Bird may limit its design of Disclosure Controls and Procedures or Internal Controls over Financial Reporting to exclude controls, policies and procedures of a business that was acquired not more than 365 days before the end of the financial period.

The controls and procedures set out below are limited to Bird companies and do not include controls, policies and procedures for Stuart Olson, acquired on September 25, 2020.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the President and Chief Executive Officer (CEO) and Chief Financial Officer (CFO), on a timely basis so that appropriate decisions can be made regarding information to be included in public disclosures required under provincial and territorial securities legislation.

An evaluation of the effectiveness of the design of the Company's disclosure controls and procedures was carried out under the supervision of management, including the CEO and CFO, with oversight by the Board of Directors and Audit Committee, as at June 30, 2021. Based on this evaluation, the Company's CEO and CFO have concluded that the design of the Company's disclosure controls and procedures, as defined in NI 52-109 was effective as at June 30, 2021.

Internal Controls over Financial Reporting

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Absolute assurance cannot be provided that all misstatements have been detected because of inherent limitations in all control systems. The Company's management is responsible for designing and maintaining adequate internal control over financial reporting for the Company.

An evaluation of the effectiveness of the design of the Company's internal controls over financial reporting was carried out under the supervision of management, including the CEO and CFO, with oversight by the Board of Directors and Audit Committee, as at June 30, 2021. Based on this evaluation, the Company's CEO and CFO have concluded that the design of the Company's internal controls over financial reporting, as defined in NI 52-109 was effective as at June 30, 2021.

There have been no material changes in the Company's internal controls over financial reporting during the period beginning on January 1, 2021 and ending on June 30, 2021 that materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

RISKS RELATING TO THE BUSINESS

The following are the more significant risk factors relating to the business. For a detailed discussion of all risk factors relating to the business, refer to the Company's most recently filed Annual Information Form dated March 9, 2021 which is available through SEDAR at www.sedar.com and on the Company's website at www.bird.ca. Readers are also encouraged to review the "Forward-Looking Information" section of this MD&A.

- Ability to Hire and Retain Qualified and Capable Personnel
- Maintaining Safe Work Sites
- Global Pandemics
- Economy and Cyclicality
- Design Risks
- Ability to Secure Work
- Performance of Subcontractors
- Accuracy of Cost to Complete Estimates
- Competitive Factors
- Estimating Costs and Schedules/ Assessing Contract Risks
- Adjustments and Cancellations of Backlog
- PPP Project Risk
- Work Stoppages, Strikes and Lockouts
- Information Systems and Cyber-security Risk
- Integration Risk
- Climate Change Risk

TERMINOLOGY & NON-GAAP MEASURES

Terminology

Throughout this report, management uses the following terms that may not be comparable with similar terms presented by other companies and require definition:

- **"Backlog"** is the total value of all contracts awarded to the Company, less the total value of work completed on these contracts as of the date of the most recently completed quarter. This includes all contracts that have been awarded to the Company whether the work has commenced or will commence in the normal course. It includes all the Company's remaining performance obligations in its contracts with its clients, including work orders issued from MSAs related to MRO services. It does not include amounts for variable consideration that are constrained, agency relationship construction management projects, and estimated future work orders to be performed as part of master services agreements. The Company's Backlog equates to the Company's remaining performance obligations as at June 30, 2021 and December 31, 2020; refer to Note 10 of the June 30, 2021 interim condensed consolidated financial statements.

- **"Pending Backlog"** is the total potential revenue of awarded but not contracted projects including where the Company has been named preferred proponent, where a contract has not been executed and where the letter of intent or agreement received is non-binding. It may also include amounts for agency relationship construction management projects, pre-construction activities and estimated future work orders to be performed as part of MSAs. Management does not provide any assurance that a contract will be finalized, or revenue recognized in the future. Management uses Pending Backlog to assess the future operating performance of its business. Management believes that investors and analysts use this measure, as it may provide predictive value to assess the ongoing operations of the business and a more consistent comparison between financial reporting periods. Pending Backlog cannot be reconciled to any IFRS measure.

- **"Gross Profit Percentage"** is the percentage derived by dividing gross profit by construction revenue. Gross profit is calculated by subtracting construction costs from construction revenue. Management uses Gross Profit Percentage as a measure of the profitability of the core operations of its operating groups and consolidated business.

- **"Lost Time Incident Frequency" or "LTI Frequency"** is the number of lost time incidents recorded per 200,000 person-hours of work by Bird employees.

Non-GAAP Measures

Throughout this MD&A certain measures are used that, while common in the construction industry, do not have a standardized meaning prescribed by IFRS and are considered non-GAAP measures. The non-GAAP measures used are: Adjusted Earnings, Adjusted Earnings Per Share, Adjusted EBITDA and Adjusted EBITDA Margin. Therefore, these measures may not be comparable with similar measures presented by other companies.

- **"Adjusted Earnings"** is defined as IFRS net income excluding asset impairments, acquisition, integration and restructuring (as defined in accordance with IFRS) costs and the income tax effect of these costs. Acquisition, integration and restructuring (as defined in accordance with IFRS) costs are a component of Costs of construction and General and administrative expenses presented in the statement of income. Management uses Adjusted Earnings to assess the operating performance of the business. These additional adjustments are made to exclude items of an unusual nature that are not reflective of ongoing operations. Management believes that investors and analysts use these measures, as they may provide predictive value to assess the ongoing operations of the business and are a more consistent comparison between financial reporting periods.

ADJUSTED EARNINGS (in thousands of Canadian dollars, except per share amounts)	Three months June 30, 2021	2020	Six months June 30, 2021	2020
Net income	$ **13,630**	$ 5,624	$ **20,749**	$ 6,747
Add: Acquisition and integration costs	**1,754**	1,276	**4,409**	1,276
Add: Restructuring costs [(1)]	-	-	**-**	-
Income tax effect of the above costs	**(434)**	(334)	**(1,071)**	(334)
Adjusted Earnings	$ **14,950**	$ 6,566	$ **24,087**	$ 7,689
Adjusted Earnings Per Share [(2)]	$ **0.28**	$ 0.15	$ **0.45**	$ 0.18

Notes

(1) Restructuring costs as defined in accordance with IFRS.

(2) Calculated as Adjusted Earnings divided by basic weighted average shares.

- **"Adjusted Earnings Per Share"** is calculated by dividing Adjusted Earnings by the basic weighted average number of shares.

- **"Adjusted EBITDA"** represents earnings before taxes, interest, depreciation and amortization, finance and other costs, finance income, asset impairment charges, gain or loss on sale of property and equipment, restructuring and severance costs outside of normal course, and acquisition, integration and restructuring (as defined in accordance with IFRS) costs. Acquisition costs, integration costs, restructuring (as defined in accordance with IFRS) costs, and other restructuring and severance costs are a component of Costs of construction and General and administrative expenses presented in the statement of income. Adjusted EBITDA is a common financial measure used by investors, analysts and lenders as an indicator of cash operating performance, as well as a valuation metric and as a measure of a company's ability to incur and service debt. The calculation of adjusted EBITDA excludes items that do not reflect cash flows of the business or continuing operations, including impairment charges, restructuring charges, and acquisition and integration charges, as Management believes that these items should not be reflected in a metric used for valuation and debt servicing evaluation purposes.

ADJUSTED EBITDA (in thousands of Canadian dollars, except percentage amounts)		Three months June 30,			Six months June 30,	
		2021		**2020**		**2021**		**2020**
Income from operations	$	**20,294**	$	9,109	$	**31,095**	$	12,978
Add: Depreciation and amortization		**7,898**		3,287		**15,858**		7,155
Add: Loss (gain) on sale of property and equipment		**(110)**		(1,344)		**(513)**		(1,519)
Add: Restructuring costs [1]		**-**		-		**-**		-
Add: Restructuring costs and severance costs [2]		**276**		-		**303**		-
Add: Acquisition and integration costs		**1,754**		1,276		**4,409**		1,276
Adjusted EBITDA	$	**30,112**	$	12,328	$	**51,152**	$	19,890
Adjusted EBITDA Margin [3]	$	**5.4%**	$	4.4%	$	**5.1%**	$	3.3%

Notes

[1] Restructuring costs as defined in accordance with IFRS.

[2] Restructuring and severance costs that did not meet the criteria to be classified under restructuring costs as defined in accordance with IFRS.

[3] Calculated as Adjusted EBITDA divided by Revenue.

- **"Adjusted EBITDA Margin"** is the percentage derived by dividing Adjusted EBITDA by construction revenue.

FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements and information ("forward-looking statements") within the meaning of applicable Canadian securities laws. The forward-looking statements contained in this MD&A are based on the expectations, estimates and projections of management of Bird as of the date of this MD&A unless otherwise stated. The use of any of the words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "may", "will", "should" and similar expressions are intended to identify forward-looking statements. More particularly and without limitation, this MD&A contains forward-looking statements concerning: the anticipated benefits of the acquisition to Bird, its shareholders and all other stakeholders, including anticipated synergies; and the plans and strategic priorities of the combined company.

In respect of the forward-looking statements concerning the anticipated benefits of the acquisition, Bird has provided such in reliance on certain assumptions that it believes are reasonable at this time, including in respect of the combined company's services and anticipated synergies, capital efficiencies and cost-savings.

Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Investors are cautioned that forward-looking statements are based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to the risks associated with the industries in which Bird operates in general, such as:

- Ability to access sufficient capital from internal and external sources
- Ability to secure work
- Accuracy of cost to complete estimates
- Adjustments and cancellations of Backlog
- Changes in legislation, including but not limited to tax laws and environmental regulations
- Client concentration
- Climate change
- Collection of recognized revenue
- Commodity price, interest rate and exchange rate fluctuations
- Competition, ethics, and reputational risks
- Completion and performance guarantees
- Compliance with environmental laws risks
- Corporate guarantees and letters of credit
- Cyber-security risks
- Default under the Company’s credit facilities could result in the suspension of dividends
- Delays or changes in plans with respect to growth projects or capital expenditures, costs and expenses
- Dependence on the public sector
- Design and design/build risks
- Economy and cyclicality
- Estimating costs and schedules/assessing contract risks
- Failure of clients to obtain required permits and licenses
- Failure to realize the anticipated benefits of business acquisitions including the Stuart Olson transaction
- Global pandemics
- Health, safety and environmental risks
- Industry and inherent project delivery risks
- Insurance risk
- Internal and disclosure controls
- Joint venture risk
- Labour matters
- Litigation risk
- Loss of key management; ability to hire and retain qualified and capable personnel
- Maintaining safe worksites
- Operational risks
- Payment of dividends
- Performance bonds and contract security
- Potential for non-payment and credit risk and ongoing financing availability
- Public Private Partnerships equity investments
- Public Private Partnerships project risk
- Quality assurance and quality control
- Regional concentration
- Regulations
- Repayment of credit facility
- Subcontractor performance
- Unanticipated shutdowns, work stoppages, strikes and lockouts
- Volatility of market trading

The forward-looking statements in this MD&A should not be interpreted as providing a full assessment or reflection of the unprecedented impacts of the recent COVID-19 pandemic and the resulting indirect global and regional economic impacts.

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on other factors that could affect the operations or financial results of the parties, and the combined company, including any risk factors related to COVID-19, are included in reports on file with applicable securities regulatory authorities, including but not limited to; the Company's Management's Discussion and Analysis and Annual Information Form for the year ended December 31, 2020, each of which may be accessed on Bird's SEDAR profile at www.sedar.com.

The forward-looking statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as, and to the extent required by applicable securities laws.